

Central Intelligence Agency



Washington, D.C. 20505

OCA FILE *Leg*

RECPT #

16 January 1987

OCA 87-0176

HAND DELIVERED

Mr. Gregory Jones  
Legislative Reference  
Office of Management and Budget  
Washington, DC 20503

Dear Mr. Jones:

In accordance with our telephone conversation on 15 January 1987, I am forwarding our comments on the proposed Electronic Funds Transfer Federal Salary Act. While the Agency appreciates the purpose of the draft bill, we have some serious concerns with certain provisions of this proposed legislation. These concerns are described more fully below.

Section 2(b)(1) of the bill refers to the issuance of regulations by the Secretary of the Treasury which would apply notwithstanding any other provision of law. Such a broad provision may impair the Agency's special authorities under the National Security Act of 1947 and the Central Intelligence Agency Act of 1949. For the same reason, we have problems with section 2(b)(3), which refers to providing certain information to the Secretary about our employees' financial organizations.

In order to remedy these problems, we propose a new section 2(b)(7) as follows:

(7) Nothing in this Act shall impair or affect the provisions of Section 102(d)(3) of the National Security Act of 1947, as amended, or Section 6 of the CIA Act of 1949, as amended. The Director of Central Intelligence or his designee may exempt the Central Intelligence Agency and any of its employees from regulations issued pursuant to subsection (b)(1) and the requirements of subsection (b)(3), when it is determined that compliance would risk disclosure of intelligence sources and methods or compromise of the security of foreign intelligence on counterintelligence activities.

In addition, we believe the bill should provide for reimbursement to employees for expenses resulting from electronic funds transfer errors when it is determined that the employee was not aware of the error and it would be unreasonable to penalize the employee for not verifying the deposit was properly made. This will allow reimbursement for overseas and TDY employees

and in other instances when the employee could not reasonably be expected to have verified the deposit. Accordingly, we suggest adoption of a new section 2(c) (2), as follows. Current Section 2(c) would then be renumbered (c) (1):

(2) Employing agencies are authorized to reimburse employees for any charges, fees or assessments made against the employee or the employee's account as a direct result of the employing agency's failure to effect an electronic funds transfer of the employee's pay to the designated account on the date due, when it is determined that the employee had no knowledge of the error and acted in reasonable reliance on the employing agency to effecting the transfer in a timely manner. Reimbursement to an employee shall be limited to a maximum of \$150 for each failure to effect a transfer of funds.

We proposed these amendments to the bill when it was presented in the 99th Congress. Given our concerns, we would appreciate being apprised of any decisions or further developments that are made with respect to this legislation. Please contact me at  if you require further assistance or information.

STAT

Sincerely,

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OCA 87-0176

to Jones, OMB

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OCA/LEG/ (15 Jan 87)

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